

Muniflow® Drawing

FIG. 1

Preliminary Analysis* 10

- Create Enhanced Cash Flow Statement 12 for General Fund using materials listed in FIG. 5
- Create Account Balance Analysis 14 for major General Fund Accounts
- Create Summary Sheet 16

* This step is called the "Preliminary Analysis" since it is generally provided prior to an official contract being signed. However, if a potential client is convinced of the need of the service, than this step is completed after the contract is signed.

Analysis Update 18*

- Update the Preliminary Analysis 10 by adding all data through most current month available for the Enhanced Cash Flow Statement 12 and the Account Balance Summary 14.
- Create an Enhanced Cash Flow Statement 12 for all other major funds
- Create Account Balance Analysis 14 for all other major funds

* This is the preliminary analysis if the client did not require the preliminary analysis prior to the signed contract.

Documentation 20

- Create all appropriate documentation needed to provide services
 - Provide Sample Letter to Financial Institutions (FIG. 6) and ensure they are sent
 - Provide Sample Fax Bid Sheet (FIG. 7)
 - Provide Sample Bid Summary Sheet (FIG. 8)
 - Provide Sample Weekly Cash Balance Sheet (FIG. 9)
- Begin a Minutes (FIG. 10) file in a word processing document to track all meetings and telephone conversations.
- Tailor Bidding Flow Chart to client and review the general process with client (FIG. 11)

Investment Preparation 22

- Enter all current investments into investment tracking program

Investment Preparation 22 (continued)

- Write the Investment Proposal 24 (FIG. 13) specific to the clients cash flow needs and the current market status
 - This uses the Enhanced Cash Flow Statement 12 and the Bank Account Analysis 14.
 - Current market status is known through current rates provided by various investment vehicles over time
- Update every six months or as often as cash flow and changing market may require
- Follow up with all financial institutions who received a letter from the client (FIG. 6) to discuss bidding process
- Review the clients adopted Investment Policy Statement (FIG. 24) to determine allowable investments

Bidding Process 28

- Upon receipt of cash or maturity of an investment where cash is not needed, provide bidding service for client funds. Call client to discuss cash needs and investments
- Record new investment into investment tracking program

Continuous Monitoring 30

- Monitor weekly account balances by calling banks and requesting "available balance" information on Available cash as defined by bank
 - Place balance information on Weekly Cash Balance 26 sheet (FIG. 9).
 - Enter data into spreadsheet for tracking over time.
 - As time moves on, graph weekly balances to view trends that exist for each account tracked (FIG. 16)
- Create Client Binder 32 (2 copies) with the following sections:
 - Client Investment Policy Statement
 - Investment Advisor Agreement
 - Minutes
 - Weekly Cash Balance
 - Bid Results
 - Current Portfolio
 - Maturity Schedule/Quarterly & Annual Reports (FIG.s 18 & 19)
 - Monthly Interest Rate Outlook Memo (FIG. 20)/Correspondence from Company
 - Other Company Publications

Ongoing Monitoring 30 (continued)

- Have Interest Rate Outlook Memo faxed to client monthly (FIG. 20)
- Once each month (after 15th of each month), obtain appropriate documents from client to update the Enhanced Cash Flow Statement 12 and the Account Balance Analysis 14.
 - Near end of fiscal year, use historic Enhanced Cash Flow Statement 12 to provide a Enhanced Cash Flow projection for the upcoming fiscal year.
- Update Investment Recommendation Memo 26 (FIG. 13) at least every 6 months

Reporting 34

- Provide appropriate monthly, quarterly, and Annual reports
 - Current Portfolio Report (FIG. 17) used to determine Monthly Fees (FIG. 18)
 - Quarterly/Annual Report (FIG. 19)
 - On quarterly basis update Ratio Report (FIG. 21)
 - Annual Health Check 36
 - Arbitrage Tracking as appropriate
 - Meet with client monthly or as often as desired

FIGURE 2
Enhanced Cash Flow Statement 12

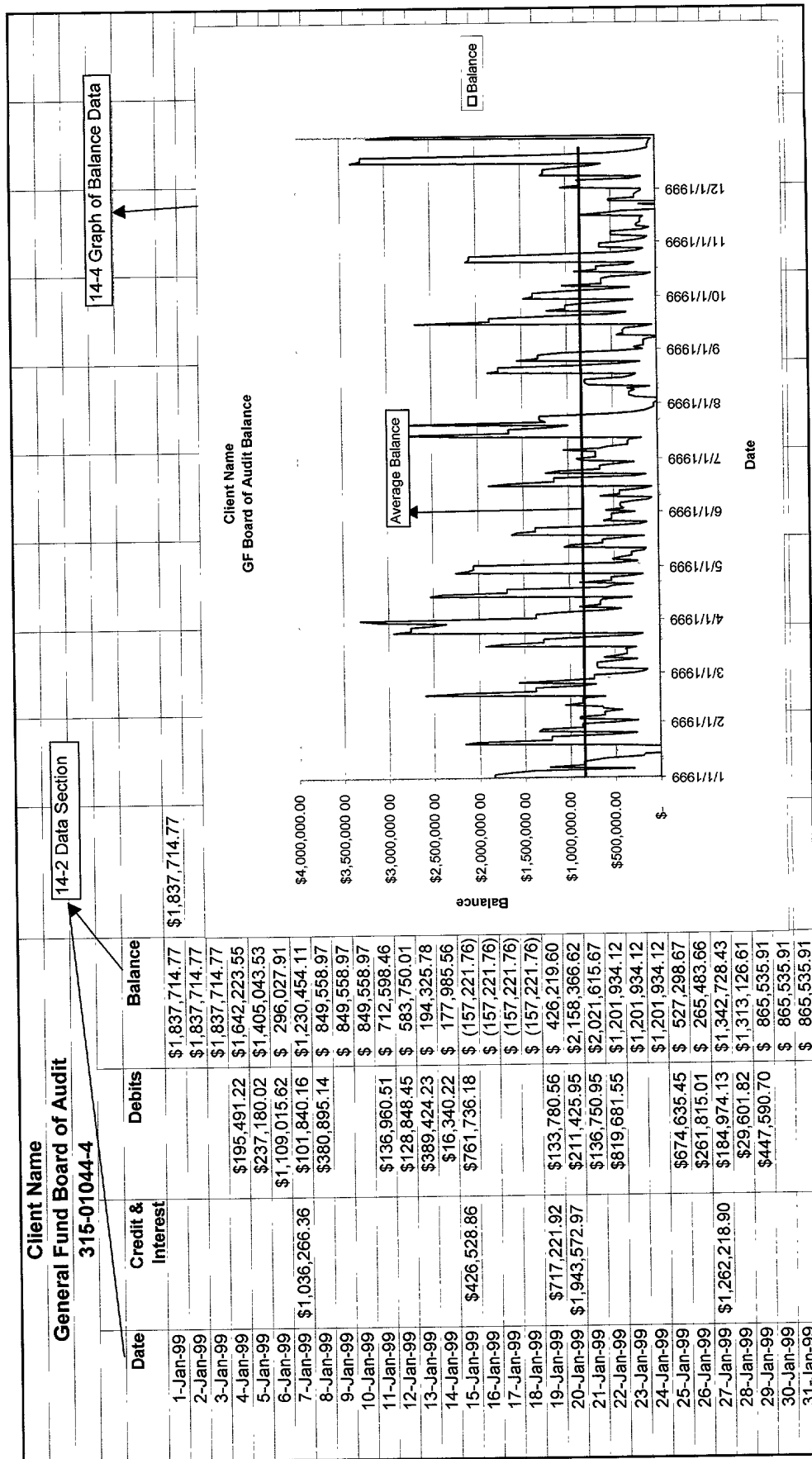
| Sample Cash Flow Statement - General Fund | | | | | | | | | | | | |
|---|-------------------------|----------------------------|-------------------------|-------------------------|------------------------|------------------------|----------------------------|-------------------------|-------------------------|--------------------------|--------------------------|------------------------|
| <Client Name> <Date> | | | | | | | | | | | | |
| | June | July | August | September | October | November | December | January | February | March | April | May |
| Projected Opening Balance | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Estimated Receipts | | | | | | | | | | | | |
| Taxes | | | | | | | | | | | | |
| Property | | | | | | | | | | | | |
| Sales | | | | | | | | | | | | |
| Other | | | | | | | | | | | | |
| Total Taxes | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Aid | | | | | | | | | | | | |
| State Aid | | | | | | | | | | | | |
| Federal Aid | | | | | | | | | | | | |
| Total Aid | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Miscellaneous | | | | | | | | | | | | |
| Use of Money & Property | | | | | | | | | | | | |
| Intergovernmental Charges | | | | | | | | | | | | |
| License Fees, Fines, etc | | | | | | | | | | | | |
| Interfund Revenues & Transfers | | | | | | | | | | | | |
| Other | | | | | | | | | | | | |
| Total Miscellaneous | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Receipts | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Estimated Disbursements | | | | | | | | | | | | |
| Payroll | | | | | | | | | | | | |
| Employees | | | | | | | | | | | | |
| Benefits | | | | | | | | | | | | |
| Debt Service | | | | | | | | | | | | |
| Equipment | | | | | | | | | | | | |
| Accounts Payable - Contractual | | | | | | | | | | | | |
| Interfund Transfers | | | | | | | | | | | | |
| Total Disbursements | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Variance | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Notes | | | | | | | | | | | | |
| Payroll & Benefits | June 3 & 17 @ \$120,000 | July 1, 15, 29 @ \$120,000 | Aug 12 & 26 @ \$120,000 | Sept 9 & 23 @ \$120,000 | Oct 7 & 21 @ \$120,000 | Nov 4 & 18 @ \$120,000 | Dec 2, 16 & 30 @ \$120,000 | Jan 13 & 27 @ \$120,000 | Feb 10 & 24 @ \$120,000 | March 9 & 23 @ \$120,000 | April 6 & 20 @ \$120,000 | May 4 & 18 @ \$120,000 |
| Accounts Payables | Weekly = @ \$30,000 | Weekly = @ \$30,000 | Weekly = @ \$30,000 | Weekly = @ \$30,000 | Weekly = @ \$30,000 | Weekly = @ \$30,000 | Weekly = @ \$30,000 | Weekly = @ \$30,000 | Weekly = @ \$30,000 | Weekly = @ \$30,000 | Weekly = @ \$30,000 | Weekly = @ \$30,000 |
| End Month Balance | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

12-2 Cash Receipts (recorded by month)

12-4 Cash Disbursements (recorded by month)

12-6 Notes Section (provides data for investments)

FIGURE 3
Account Balance Analysis 14



**FIGURE 4
SUMMARY SHEET 16**

Client Name
Cash Flow Analysis Summary Sheet

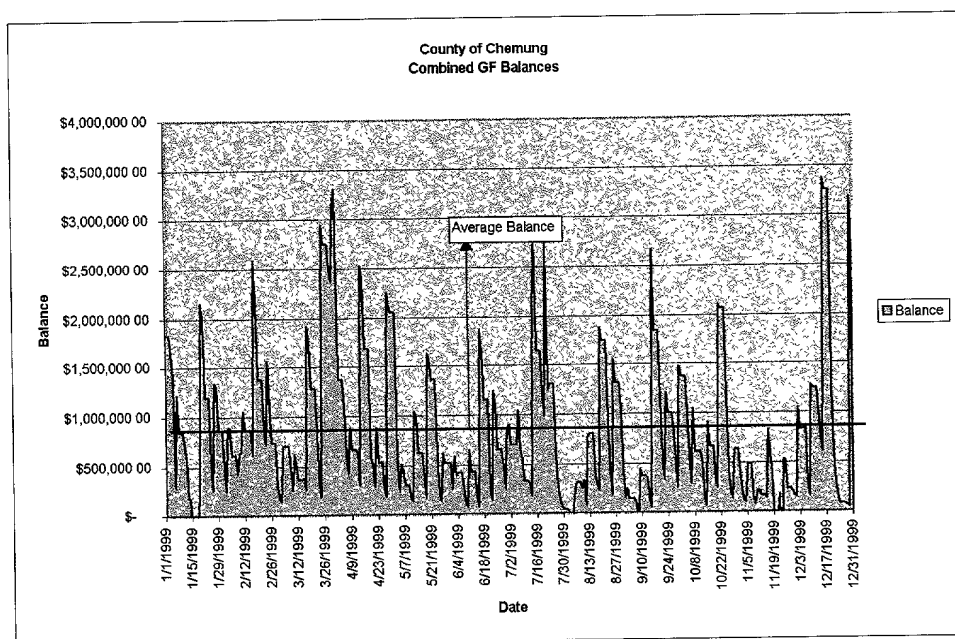
| Summary Data | |
|--|---------------------|
| 1998 Total Revenues - General Fund | \$90,767,472 |
| Interest Revenue | \$408,808 |
| Total Potential Increase after Analysis | \$106,270 |
| Less Estimated R&C Fees | \$15,000 |
| Net Increase | \$91,270 |
| % Increase | 22% |
| Other Funds Potential Earnings | \$24,100 |
| Total Interest Increase | \$130,370 |

16-2 Summary of Data

Core Strengths

- 1.) Cash Management
 - a.) Actual Cash Flow Statements & Projections
 - b.) Bank Account Analysis & Monitoring
- 2.) Institutional Bidding Process
- 3.) Investment Strategy & Market Outlook
- 4.) Compliance within all NYS Comptroller Guidelines

16-4 Summary of Core Services



16-4 Copy of Graph of
Balance Data

FIGURE 5

**<Client Name>
Questions & Materials**

Materials Needed:

- 1 Materials to assist in creation of historic cash flow – for last 12 months
 - a System reports:
 - i Cash reports by source, month
 - ii Expenditures by source, month
- 2 Materials to assist in analyzing bank accounts:
 - a Bank statements for last 12 months for major accounts (suggest starting with 2 or 3)
- 3 List of current investments with basic information:
 - a Date purchased
 - b Rate
 - c Maturity
- 4 Collateral Agreements with banks and Master Repurchase Agreements (if any)
- 5 Current Year Budget, Next Year Approved budget if available
- 6 Additional information not required, but helpful
 - a CAFR (Comprehensive Annual Financial Report)
 - b Audit reports

FIGURE 6

<Today's Date>

<Bank Contact Person>

<Bank Name>

<Bank Address>

Dear Mr/Ms. <name:>

The <Client Name> authorizes:

<Inventor Name>

<Inventor Address>

<Inventor Phone Number>

to have access to account information with your financial institution for the following accounts:

xxx-xx-xxxx <Account Name>

xxx-xx-xxxx <Account Name>

The authorization is to be used for information gathering and not for the transfer, deposit, or withdrawal of funds; whereas, the <Client Name> retains this sole right.

In addition, the <Client Name> authorizes Rulison & Company to provide bidding services for all CD & Repurchase Agreements purchased by the <Client Name>. This process will start immediately. A representative from the said company will be contacting you to discuss the details of the bidding process.

Sincerely,

<Client Contact Name>

<Client Name or Title>

Cc: Inventor Name

FIGURE 7

REQUEST FOR CD BIDS FOR
<MUNICIPAL CLIENT>

*Bids must be received no later than 10:00 a.m.
or they will be considered a Pass.
Please call <Inventor Name> at
<Inventor Phone> or fax <Inventor Fax #>*

TODAY'S DATE: <Today's Date>
FROM: <Inventor Name>

Attention: <Financial Institution>
<Financial Institution>
<Financial Institution>
<Financial Institution>
<Financial Institution>

<Contact Name>
<Contact Name>
<Contact Name>
<Contact Name>
<Contact Name>

**When responding by Fax, please
circle the institution responding.**

INVESTMENT DATE: <Bid Date>

\$ TO BE INVESTED: \$

TERM: days

MATURITY DATE:

| Your Rate |
|-----------|
| |

INVESTMENT DATE: <Bid Date>

\$ TO BE INVESTED:

TERM:

MATURITY DATE:

| Your Rate |
|-----------|
| |

INVESTMENT DATE: <Bid Date>

\$ TO BE INVESTED:

TERM:

MATURITY DATE:

| Your Rate |
|-----------|
| |

INVESTMENT DATE: <Bid Date>

\$ TO BE INVESTED:

TERM:

MATURITY DATE:

| Your Rate |
|-----------|
| |

FIGURE 9

<Client Name>
Weekly Cash Balances

Date: _____

| <u><Bank Name></u> | (<Contact Name & Telephone #>) | Cash Balance |
|--------------------------|--------------------------------|--------------|
| xxx-xx-xxxx | <Account Name> | \$ |
| xxx-xx-xxxx | <Account Name> | \$ |

FIGURE 10

<Client Name>
<Date> to <Date>

<Date> Meeting

Attendees: <Names>

1. <Discussion Topics>

FIGURE 11

General CD Bidding Process

Steps

1

<INVENTOR NAME> and
Client reviews dollar amount
to be invested

2

Dollar amounts, terms, and
maturity dates faxed to
<INVENTOR NAME> by
9:15 a.m. the day money is to
be invested

3

<INVENTOR NAME> bids
via WinFax to all appropriate
banks based on information
received

4

Bid results faxed to Client by
10:30 a.m. the day money is
to be invested

5

Client chooses winning bid
and transfers all money for
investments via check or
wire transfer

6

Client informs <INVENTOR
NAME> of winning bid

7

<INVENTOR NAME> informs
losing institutions of the winning bid
rate and institution name

FIGURE 11 (CONT.)

- 1 Step 1: Determine Dollars to be invested
 - a Clients determines this based on checks written to be covered and future needs
 - b <INVENTOR NAME> monitors account balances, cash flow statement and market outlook to recommend appropriate terms
- 2 Step 2: When client is comfortable with the amount to be invested, the information is faxed or phoned to the Rochester office
- 3 Step 3: <INVENTOR NAME> prepares Fax Bid Sheet
- 4 Step 4: Bids typed into Bid Summary Sheet
 - a Any bids not received by 10:00 a.m. should be called
 - b Bid summary sheet faxed to client for their approval
- 5 Step 5: Client reviews bids and chooses winner (usually the highest bid)
 - a Money is wired to or check written to winning institution
- 6 Step 6: <INVENTOR NAME> informed of winning institution approved by client, signing form and returning to Inventor
- 7 Step 7: <INVENTOR NAME> faxes Bid Summary Sheet to all institutions informing them of winning bid

Investment Bidding Process

12-2 Involved Players

Investment Objective:

Structure Portfolios that incorporate higher investment returns through short and intermediate term investment vehicles with underlying preservation of capital.

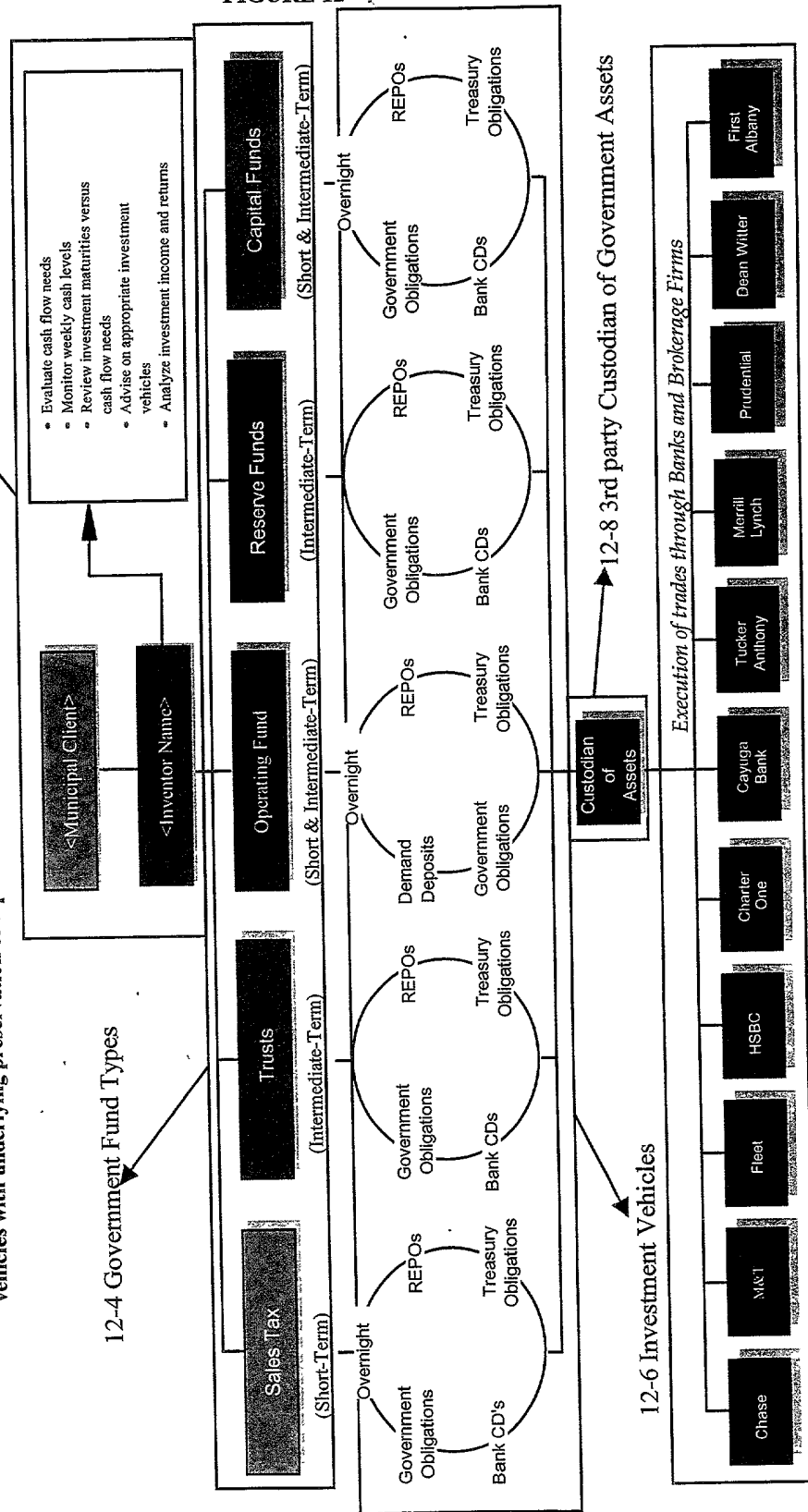


FIGURE 12

FIGURE 13

INVESTMENT PROPOSAL

<MUNICIPALITY NAME>

SUMMARY ANALYSIS OF DATA

Recently the intermediate-range treasury market has started to provide very competitive rates for those entities that have assets to invest from 10 to 18 months or longer. <Inventor Name> has been tracking the account balances of the <Municipality Name> since July 1999. This information, combined with the historic cash flow analysis and the CD history, has provided the data necessary to recommend the investment strategy discussed below. This strategy is divided into two parts:

1. Short-range Investments – this will provide strategies for operating dollars, using CDs as the main investment tool. Current collateral and 3rd party custodian agreements are sufficient.
2. Intermediate-range Investments – this will provide strategies for money that can be invested between 10 and 18 months. Main investment vehicles will be US Treasury Bills and Notes. For this, a custodian agreement will be required. CD rates in this time period have not been competitive relative to the treasury market.

Current Market Summary

30-day CDs are hovering around 6.35%. CDs up to six months will pay between 6.45 and 6.55%. Past the six-month mark, CDs are not as competitive. The US Treasury market currently provides better rates starting at about 10 months and up to two years. It is anticipated that the Federal Reserve during the May 16-17 meeting will increase short-term rates, perhaps by 50 basis points. This should increase the CD rates from the 7-day to 6-month period. The following Treasury rates are as of May 31.

| <u>Term</u> | <u>Rate</u> | <u>Term</u> | <u>Rate</u> |
|-------------|-------------|-------------|-------------|
| 10 months | 6.74% | 15 months | 6.79% |
| 12 months | 6.76% | 18 months | 6.80% |

INVESTMENT RECOMMENDATION

Short-term Investments

Currently CD rates vary only slightly in the 30-60+ day range. With the Federal Reserve anticipated to raise short-term rates as much as 50 basis points, short CDs should be purchased until about one week after the rate increase. At that time, 6 month CDs should be considered.

Self Insurance Fund – As of May 10 this fund has \$5,172,981.40 – after the May 16-17 Fed increase – keep \$1,400,000 in 3 month CD to cover cash settlements (or invest until expected payout).

Capital Reserve Fund – As of May 10 this fund has \$4,484,951.09 – Upon maturity of the May 22 CDs – keep \$2,200,000 in CDs but divide it into 4 and have each CD mature every month starting the end of June (i.e \$550,000 in June, July, August, September – or according to the capital projects expected payouts). Funds not needed in each month should be reinvested to the next month not covered (i.e in June, if Capital Reserve funds are not needed, reinvest until October).

Working Capital Fund – As of May 10 this fund totals over \$10,500,000 – Historically, in months where expenditures exceeded revenues, the <Municipality Name> has needed to take from this fund balance to cover current cash needs. This has fluctuated between \$100,000 and \$1,400,000.

FIGURE 13 (cont.)

Based on this history, although weekly cash needs range from \$500,000 to \$1MM. \$3,000,000 should be divided into 4 CDs to cover weekly cash needs (\$500,000 for week one, \$1MM for week 2, etc. according to payment schedule) and the money invested in 30-day CD, following the <Municipality Name>'s current practice.

Intermediate-Range Investments

Self-Insurance Fund

The <Municipality Name> has \$5,172,981.40 in a CD that will mature May 15 (amount includes interest to be earned). Budgeted cash settlements total \$196,000 (although prior fiscal year was about \$874,000). As mentioned above, \$1,400,000 will be held back in 3 months CDs for potential cash settlements.

The remainder of the fund could be split in two – One group to purchase treasuries to November 2001 (18 months).

Potential Interest increase on higher treasury yield = $\$1,500,000 \times .005$ for 547 days = \$11,395

The other group could purchase a 12-month Treasury maturing in May 2001

Potential Interest increase on higher treasury yield = $\$2,200,000 \times .005$ for 365 days = \$11,000

Capital Reserve Fund

<Municipality Name> budgeted capital projects for the current fiscal year total just under \$2,200,000. The difference (2,284,951.09) can purchase a 12 month or longer treasury bill/note to Mature the following May or longer.

Potential Interest increase on higher treasury yield = $\$2,200,000 \times .005$ for 365+ days = \$11,000

Working Capital Fund

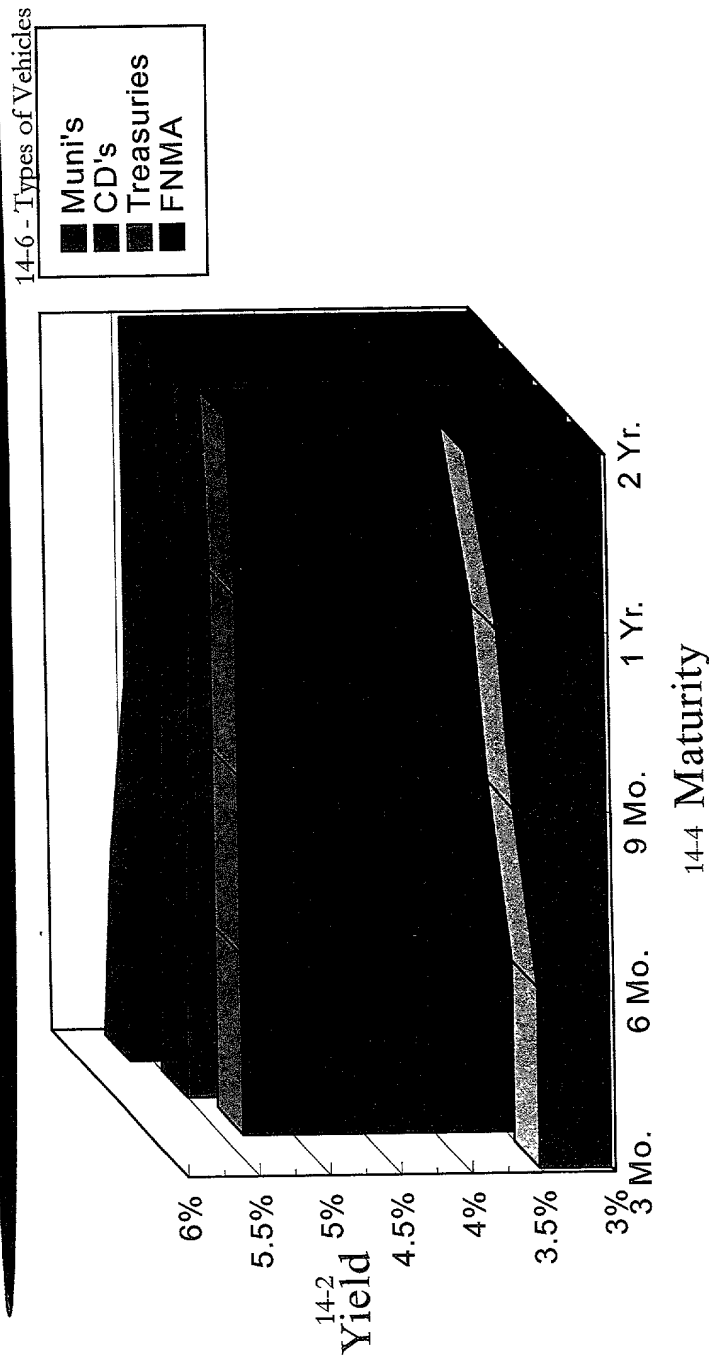
The 2000-2001 budget appropriates \$1,664,000 of prior year fund balance to operating expense (which includes \$1,200,000 in depreciation). Subtracting out the \$3MM for monthly cash needs (see the Short-term section), the remainder of these funds can be used to purchase Treasury Bills/Notes to mature in equal amounts starting in January 2001 through June 2001.

Potential Interest increase on higher treasury yield = \$36,575

Total Potential Interest Increase through strategy = \$70,060

It should be noted, that if this strategy were followed, actual interest earned would not be recognized until the following fiscal year for over \$12,900,000. Although interest would be accrued, the current fiscal years actual interest earnings would look significantly smaller than the prior years while the next fiscal years would appear considerably larger.

Investment Vehicles



The portfolios utilize a structured, laddered selection of investments (in deference to cash flow needs) to maximize yield and preserve capital.

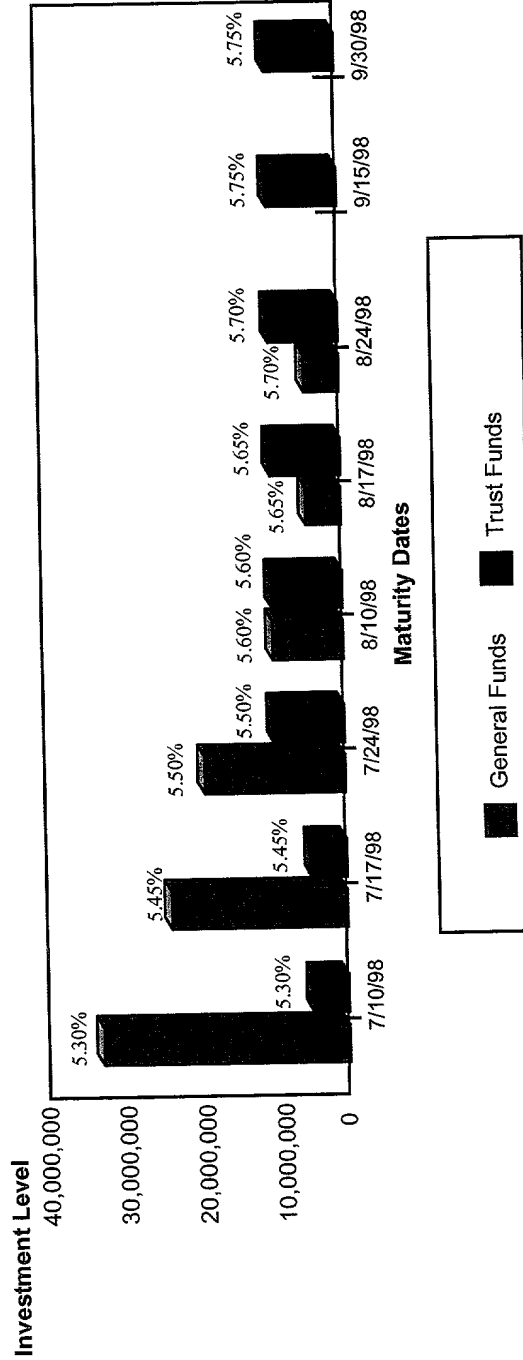
FIGURE 14

<Municipality Name>

Sample Laddered Maturity Schedule

Investment Vehicles versus Liquidity Needs

Investments will be made in adherence to projected cash flow needs.

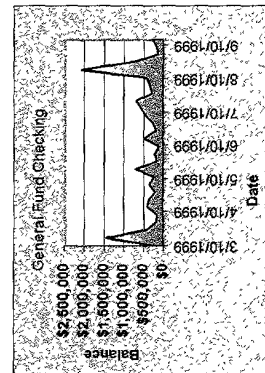


This chart is a sample of two different types of Municipal funds - different laddered fixed income vehicles to meet different liquidity needs.

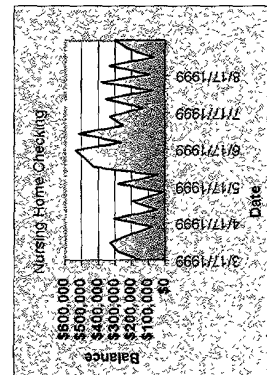
FIGURE 15

FIGURE 16

| Clients Bank | | |
|--------------------------------|-------------|--|
| General Fund Checking - 572180 | Balance | |
| Date | | |
| 10-Mar-99 | \$251,789 | |
| 17-Mar-99 | \$1,443,251 | |
| 24-Mar-99 | \$433,924 | |
| 31-Mar-99 | \$186,938 | |
| 7-Apr-99 | \$163,210 | |
| 14-Apr-99 | \$405,234 | |
| 21-Apr-99 | \$349,964 | |
| 28-Apr-99 | \$214,216 | |
| 5-May-99 | \$349,125 | |
| 12-May-99 | \$224,790 | |
| 19-May-99 | \$690,602 | |
| 26-May-99 | \$172,482 | |
| 2-Jun-99 | \$222,206 | |
| 9-Jun-99 | \$110,043 | |
| 16-Jun-99 | \$472,073 | |
| 23-Jun-99 | \$180,366 | |
| 30-Jun-99 | \$268,328 | |
| 7-Jul-99 | \$450,872 | |
| 14-Jul-99 | \$566,395 | |
| 21-Jul-99 | \$671,316 | |
| 28-Jul-99 | \$293,406 | |
| 4-Aug-99 | \$335,937 | |
| 11-Aug-99 | \$413,588 | |
| 18-Aug-99 | \$2,071,512 | |
| 25-Aug-99 | \$693,562 | |
| 1-Sep-99 | \$133,254 | |
| 8-Sep-99 | \$167,233 | |
| 15-Sep-99 | \$255,037 | |
| 22-Sep-99 | | |
| 29-Sep-99 | | |
| Lyons National Bank | | |
| General Fund Checking - 572180 | Balance | |
| Date | | |



| Clients Bank | | |
|-----------------------|--|-----------|
| Nursing Home - 703611 | | Balance |
| Date | | |
| 10-Mar-99 | | \$409,357 |
| 17-Mar-99 | | \$145,759 |
| 24-Mar-99 | | \$277,357 |
| 31-Mar-99 | | \$329,579 |
| 7-Apr-99 | | \$213,878 |
| 14-Apr-99 | | \$74,936 |
| 21-Apr-99 | | \$303,458 |
| 28-Apr-99 | | \$49,134 |
| 5-May-99 | | \$194,605 |
| 12-May-99 | | \$12,366 |
| 19-May-99 | | \$278,852 |
| 26-May-99 | | \$43,222 |
| 2-Jun-99 | | \$425,795 |
| 9-Jun-99 | | \$475,386 |
| 16-Jun-99 | | \$535,065 |
| 23-Jun-99 | | \$259,918 |
| 30-Jun-99 | | \$515,667 |
| 7-Jul-99 | | \$248,756 |
| 14-Jul-99 | | \$329,614 |
| 21-Jul-99 | | \$132,918 |
| 28-Jul-99 | | \$356,444 |
| 4-Aug-99 | | \$72,547 |
| 11-Aug-99 | | \$378,863 |
| 18-Aug-99 | | \$90,778 |
| 25-Aug-99 | | \$333,520 |
| 1-Sep-99 | | \$68,552 |
| 8-Sep-99 | | \$226,782 |
| 15-Sep-99 | | \$298,218 |
| 22-Sep-99 | | |
| 29-Sep-99 | | |
| Lyons National Bank | | |
| Nursing Home - 703611 | | Balance |
| Date | | |



| Clients Bank | | |
|-------------------------|--|-----------|
| Self Insurance - 703215 | | Balance |
| Date | | |
| 10-Mar-99 | | \$438,350 |
| 17-Mar-99 | | \$406,421 |
| 24-Mar-99 | | \$415,139 |
| 31-Mar-99 | | \$364,492 |
| 7-Apr-99 | | \$353,294 |
| 14-Apr-99 | | \$322,936 |
| 21-Apr-99 | | \$283,091 |
| 28-Apr-99 | | \$237,197 |
| 5-May-99 | | \$188,520 |
| 12-May-99 | | \$163,787 |
| 19-May-99 | | \$87,986 |
| 26-May-99 | | \$197,405 |
| 2-Jun-99 | | \$167,927 |
| 9-Jun-99 | | \$154,574 |
| 16-Jun-99 | | \$119,796 |
| 23-Jun-99 | | \$97,352 |
| 30-Jun-99 | | \$162,634 |
| 7-Jul-99 | | \$305,337 |
| 14-Jul-99 | | \$296,389 |
| 21-Jul-99 | | \$239,639 |
| 28-Jul-99 | | \$230,357 |
| 4-Aug-99 | | \$187,958 |
| 11-Aug-99 | | \$157,066 |
| 18-Aug-99 | | \$120,494 |
| 25-Aug-99 | | \$200,184 |
| 1-Sep-99 | | \$179,622 |
| 8-Sep-99 | | \$143,212 |
| 15-Sep-99 | | \$129,612 |
| 22-Sep-99 | | |
| 29-Sep-99 | | |
| Lyons National Bank | | |
| Self Insurance - 703215 | | Balance |
| Date | | |

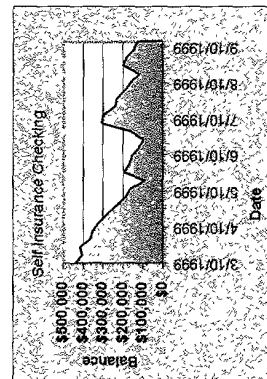


FIGURE 17
Current Portfolio Report

<Inventor Name>
Current Portfolio
<Municipality Name>

August 31, 2000

| Purchase Date | Purpose of Funds | Amount | Rate | Maturity Date | Interest Earned at Maturity | Winning Bank |
|---------------|----------------------|------------------------|-------|---------------|-----------------------------|--------------|
| 2-Feb-00 | CAP | \$600,000.00 | 5.96% | 13-Sep-00 | \$22,250.67 | HSBC |
| 15-Feb-00 | CAP | \$250,000.00 | 6.05% | 11-Oct-00 | \$10,041.32 | HSBC |
| 1-Mar-00 | CAP | \$150,000.00 | 6.13% | 11-Oct-00 | \$5,721.33 | HSBC |
| 1-Mar-00 | CAP | \$550,000.00 | 6.13% | 15-Nov-00 | \$24,256.07 | HSBC |
| 12-Apr-00 | Misc Reserves | \$500,000.00 | 6.22% | 11-Oct-00 | \$15,722.78 | HSBC |
| 12-Apr-00 | CAP | \$300,000.00 | 6.26% | 13-Dec-00 | \$12,780.83 | HSBC |
| 10-May-00 | CAP | \$400,000.00 | 6.30% | 12-Oct-00 | \$10,850.00 | M&T Bank |
| 2-Jun-00 | General Fund | \$200,000.00 | 6.61% | 14-Sep-00 | \$3,819.11 | HSBC |
| 2-Jun-00 | General Fund | \$100,000.00 | 6.61% | 20-Sep-00 | \$2,019.72 | HSBC |
| 2-Jun-00 | General Fund | \$100,000.00 | 6.61% | 6-Sep-00 | \$1,762.67 | HSBC |
| 2-Jun-00 | General Fund | \$200,000.00 | 6.61% | 28-Sep-00 | \$4,333.22 | HSBC |
| 5-Jun-00 | General Fund | \$500,000.00 | 6.56% | 29-Sep-00 | \$10,568.89 | HSBC |
| 7-Jun-00 | CAP | \$500,000.00 | 6.58% | 12-Oct-00 | \$11,606.39 | Pavilion |
| 21-Jun-00 | CAP | \$250,000.00 | 6.62% | 12-Oct-00 | \$5,194.86 | Pavilion |
| 27-Jun-00 | General Fund | \$100,000.00 | 6.59% | 29-Sep-00 | \$1,720.72 | HSBC |
| 12-Jul-00 | CAP | \$500,000.00 | 6.60% | 12-Oct-00 | \$8,433.33 | HSBC |
| 12-Jul-00 | General Ins. Reserve | \$570,000.00 | 6.60% | 12-Oct-00 | \$9,614.00 | HSBC |
| 14-Jul-00 | General Fund | \$100,000.00 | 6.53% | 29-Sep-00 | \$1,396.69 | M&T Bank |
| 26-Jul-00 | CAP - Bid | \$290,000.00 | 6.54% | 28-Sep-00 | \$3,371.73 | Pavilion |
| 26-Jul-00 | General Fund | \$350,000.00 | 6.56% | 29-Sep-00 | \$4,145.56 | Pavilion |
| 26-Jul-00 | Comm Dev | \$150,000.00 | 6.54% | 28-Sep-00 | \$1,744.00 | Pavilion |
| 1-Aug-00 | General Fund | \$850,000.00 | 6.53% | 29-Sep-00 | \$9,096.65 | Pavilion |
| 1-Aug-00 | General Fund | \$200,000.00 | 6.53% | 4-Oct-00 | \$2,321.78 | Pavilion |
| 1-Aug-00 | General Fund | \$50,000.00 | 6.53% | 12-Oct-00 | \$653.00 | Pavilion |
| 4-Aug-00 | General Fund | \$100,000.00 | 6.55% | 18-Oct-00 | \$1,364.58 | Pavilion |
| 8-Aug-00 | General Fund | \$100,000.00 | 6.55% | 6-Sep-00 | \$527.64 | M&T Bank |
| 9-Aug-00 | CAP | \$400,000.00 | 6.68% | 10-Jan-01 | \$11,430.22 | Pavilion |
| 9-Aug-00 | Misc Reserves | \$700,000.00 | 6.66% | 13-Dec-00 | \$16,317.00 | Pavilion |
| 15-Aug-00 | General Fund | \$150,000.00 | 6.56% | 26-Oct-00 | \$1,968.00 | M&T Bank |
| 15-Aug-00 | General Fund | \$100,000.00 | 6.56% | 18-Oct-00 | \$1,166.22 | M&T Bank |
| 16-Aug-00 | General - Water | \$300,000.00 | 6.58% | 15-Nov-00 | \$4,989.83 | Pavilion |
| 23-Aug-00 | Misc Reserves | \$450,000.00 | 6.58% | 25-Oct-00 | \$5,181.75 | Pavilion |
| 23-Aug-00 | Comm Dev | \$150,000.00 | 6.58% | 25-Oct-00 | \$1,727.25 | Pavilion |
| 23-Aug-00 | CAP - Bid | \$450,000.00 | 6.60% | 15-Nov-00 | \$6,930.00 | Pavilion |
| 23-Aug-00 | Trust | \$200,000.00 | 6.60% | 15-Nov-00 | \$3,080.00 | Pavilion |
| 28-Aug-00 | General Fund | \$200,000.00 | 6.62% | 9-Nov-00 | \$2,684.78 | Pavilion |
| 28-Aug-00 | General Fund | \$150,000.00 | 6.60% | 12-Oct-00 | \$1,237.50 | Pavilion |
| Totals | | \$11,210,000.00 | | | \$242,030.11 | |

FIGURE 18
Current Maturity Schedule

<Inventor Name>
Maturity Schedule
<Municipality Name>

August 31, 2000

| Maturity Date | Purchase Date | Purpose of Funds | Amount | Interest Earned at Maturity | Rate | Winning Bank |
|---------------|---------------|----------------------|------------------------|-----------------------------|-------|--------------|
| 6-Sep-00 | 2-Jun-00 | General Fund | \$100,000.00 | \$1,762.67 | 6.61% | HSBC |
| 6-Sep-00 | 8-Aug-00 | General Fund | \$100,000.00 | \$527.64 | 6.55% | M&T Bank |
| 13-Sep-00 | 2-Feb-00 | CAP | \$600,000.00 | \$22,250.67 | 5.96% | HSBC |
| 14-Sep-00 | 2-Jun-00 | General Fund | \$200,000.00 | \$3,819.11 | 6.61% | HSBC |
| 20-Sep-00 | 2-Jun-00 | General Fund | \$100,000.00 | \$2,019.72 | 6.61% | HSBC |
| 28-Sep-00 | 26-Jul-00 | Comm Dev | \$150,000.00 | \$1,744.00 | 6.54% | Pavilion |
| 28-Sep-00 | 2-Jun-00 | General Fund | \$200,000.00 | \$4,333.22 | 6.61% | HSBC |
| 28-Sep-00 | 26-Jul-00 | CAP - Bid | \$290,000.00 | \$3,371.73 | 6.54% | Pavilion |
| 29-Sep-00 | 27-Jun-00 | General Fund | \$100,000.00 | \$1,720.72 | 6.59% | HSBC |
| 29-Sep-00 | 1-Aug-00 | General Fund | \$850,000.00 | \$9,096.65 | 6.53% | Pavilion |
| 29-Sep-00 | 26-Jul-00 | General Fund | \$350,000.00 | \$4,145.56 | 6.56% | Pavilion |
| 29-Sep-00 | 5-Jun-00 | General Fund | \$500,000.00 | \$10,568.89 | 6.56% | HSBC |
| 29-Sep-00 | 14-Jul-00 | General Fund | \$100,000.00 | \$1,396.69 | 6.53% | M&T Bank |
| 4-Oct-00 | 1-Aug-00 | General Fund | \$200,000.00 | \$2,321.78 | 6.53% | Pavilion |
| 11-Oct-00 | 15-Feb-00 | CAP | \$250,000.00 | \$10,041.32 | 6.05% | HSBC |
| 11-Oct-00 | 1-Mar-00 | CAP | \$150,000.00 | \$5,721.33 | 6.13% | HSBC |
| 11-Oct-00 | 12-Apr-00 | Misc Reserves | \$500,000.00 | \$15,722.78 | 6.22% | HSBC |
| 12-Oct-00 | 10-May-00 | CAP | \$400,000.00 | \$10,850.00 | 6.30% | M&T Bank |
| 12-Oct-00 | 28-Aug-00 | General Fund | \$150,000.00 | \$1,237.50 | 6.60% | Pavilion |
| 12-Oct-00 | 7-Jun-00 | CAP | \$500,000.00 | \$11,606.39 | 6.58% | Pavilion |
| 12-Oct-00 | 12-Jul-00 | CAP | \$500,000.00 | \$8,433.33 | 6.60% | HSBC |
| 12-Oct-00 | 1-Aug-00 | General Fund | \$50,000.00 | \$653.00 | 6.53% | Pavilion |
| 12-Oct-00 | 12-Jul-00 | General Ins. Reserve | \$570,000.00 | \$9,614.00 | 6.60% | HSBC |
| 12-Oct-00 | 21-Jun-00 | CAP | \$250,000.00 | \$5,194.86 | 6.62% | Pavilion |
| 18-Oct-00 | 4-Aug-00 | General Fund | \$100,000.00 | \$1,364.58 | 6.55% | Pavilion |
| 18-Oct-00 | 15-Aug-00 | General Fund | \$100,000.00 | \$1,166.22 | 6.56% | M&T Bank |
| 25-Oct-00 | 23-Aug-00 | Comm Dev | \$150,000.00 | \$1,727.25 | 6.58% | Pavilion |
| 25-Oct-00 | 23-Aug-00 | Misc Reserves | \$450,000.00 | \$5,181.75 | 6.58% | Pavilion |
| 26-Oct-00 | 15-Aug-00 | General Fund | \$150,000.00 | \$1,968.00 | 6.56% | M&T Bank |
| 9-Nov-00 | 28-Aug-00 | General Fund | \$200,000.00 | \$2,684.78 | 6.62% | Pavilion |
| 15-Nov-00 | 23-Aug-00 | CAP - Bid | \$450,000.00 | \$6,930.00 | 6.60% | Pavilion |
| 15-Nov-00 | 16-Aug-00 | General - Water | \$300,000.00 | \$4,989.83 | 6.58% | Pavilion |
| 15-Nov-00 | 1-Mar-00 | CAP | \$550,000.00 | \$24,256.07 | 6.13% | HSBC |
| 15-Nov-00 | 23-Aug-00 | Trust | \$200,000.00 | \$3,080.00 | 6.60% | Pavilion |
| 13-Dec-00 | 12-Apr-00 | CAP | \$300,000.00 | \$12,780.83 | 6.26% | HSBC |
| 13-Dec-00 | 9-Aug-00 | Misc Reserves | \$700,000.00 | \$16,317.00 | 6.66% | Pavilion |
| 10-Jan-01 | 9-Aug-00 | CAP | \$400,000.00 | \$11,430.22 | 6.68% | Pavilion |
| Totals | | | \$11,210,000.00 | \$242,030.11 | | |

FIGURE 19

Client Name
Rulison & Company
August 1998 to July 1999 Investment Revenue Report
Figures as of July 31, 1999

Summary Data

Investment Income Data

| | |
|---|-----------|
| Total Investment Income -- April 1, 1998 to March 31, 1999 | \$408,915 |
| Known Interest Revenue April 1, 1999 to March 31, 2000 | \$426,510 |
| Plus anticipated interest revenue from future investments | \$96,518 |
| Total Projected Investment Income - April 1, 1999 to March 31, 2000 | \$523,028 |
| Less Cost of Services (Actual for August 1998 to July 1999) | \$14,408 |
| Net Projected Investment Income - April 1, 1999 to March 31, 2000 | \$508,620 |
| Net % Increase | 24.38% |

Yield Comparison

| | |
|---|-------|
| R&C Average Rates from August 1998 to July 1999 | 4.93% |
| 30 day Treasury Rate | 4.36% |
| 90 day Treasury Rate | 4.51% |

September 14, 2000

Interest Rate Memo

The economic signs for the second half of 2000 suggest that the Federal Reserve has accomplished what they had set out to do. After raising short-term interest rates 6 times over the last 12 months, the economy has shown signs of a slowdown to a level of a "soft landing", without putting the U. S. economy into a recession.

While inflation seems less of a threat these days, the concerns over rising energy prices could pose a severe threat to the "soft landing".

In my opinion, the Federal Reserve won't have any more interest rate increases. As a matter of fact, I expect to see a slow decline in rates between now and spring 2001, given a slower economy.

Over the last couple of weeks, 6-12 month CD rates have declined by 10-15 basis points. Such moves suggest that banks believe short-term interest rates will decline in upcoming months.

Therefore, I urge our clients to extend investment maturities wherever possible and take advantage of current investment rates. Reviewing the "Helpful Bidding Tips" below may help you identify investments on which you can extend maturities.

If you have any questions, or wish to discuss specific investment strategies, please call me.

Helpful Bidding Tips:

To take advantage of these investment rates, look at these sources of funds:

1. All reserve funds
2. New collected tax funds
3. Capital project funds
4. Mortgage tax funds

Call Peter Forsgren or Kim LaMarche to discuss how this applies to your specific cash flow needs.



[illegible]

| <div><Municipality Name></div> <div>Investment Ratio Report</div> | | | | | |
|---|--------------------------|---------------------|---------------------|---------------------------|------------------------------|
| Month | Total Account Balance | Total Invested | Total \$ | Balance to Total Ratio | Investment to Total Ratio |
| Nov-98 | \$716,166 | \$7,820,000 | \$8,536,166 | 8.39% | 91.61% |
| Dec-98 | \$895,765 | \$10,315,000 | \$11,210,765 | 7.99% | 92.01% |
| Jan-99 | \$1,044,161 | \$9,535,000 | \$10,579,161 | 9.87% | 90.13% |
| Feb-99 | \$508,840 | \$9,450,000 | \$9,958,840 | 5.11% | 94.89% |
| Mar-99 | \$781,783 | \$8,855,000 | \$9,636,783 | 8.11% | 91.89% |
| Apr-99 | \$796,306 | \$9,580,000 | \$10,376,306 | 7.67% | 92.33% |
| May-99 | \$1,105,717 | \$11,640,000 | \$12,745,717 | 8.68% | 91.32% |
| Jun-99 | \$287,878 | \$12,695,000 | \$12,982,878 | 2.22% | 97.78% |
| Jul-99 | \$893,068 | \$10,795,000 | \$11,688,068 | 7.64% | 92.36% |
| Aug-99 | \$1,002,416 | \$11,815,000 | \$12,817,416 | 7.82% | 92.18% |
| Sep-99 | \$269,378 | \$12,715,000 | \$12,984,378 | 2.07% | 97.93% |
| Oct-99 | \$497,655 | \$11,215,000 | \$11,712,655 | 4.25% | 95.75% |
| Average | \$733,261 | \$10,535,833 | \$11,269,094 | 6.65% | 93.35% |

FIGURE 22
Bids Sheet

<Inventor Name>
Upcoming Bids Sheet

To: _____
From: _____
Date: <Today's Date> _____

| Date of Bid: <Date of Bid> _____ | | | | | |
|----------------------------------|------|-----------|----------|-------------|--------------|
| Client Name | Fund | \$ Amount | Maturity | Term (days) | Current Bank |
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | | | | | |
| 9 | | | | | |
| 10 | | | | | |

Special Instructions: ☐ New bank added to bid ☐ Other

Details: _____

Figure 23

| | ESTIMATED CASH FLOW STATEMENT | | | | | | | | | | | | | |
|----------------------|-------------------------------|-----------|-----------|---------|---------|---------------|---------|--------|--------|--------|---------|--------|---------|-----------|
| | JAN | FEB | MAR | APR | MAY | AS OF 3/12/99 | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
| Projected open Bal | 7,015 | (15,567) | (76,858) | 36,823 | 81,914 | 98,420 | 98,420 | 90,272 | 69,892 | 56,981 | 64,467 | 9,975 | 30,197 | |
| ESTIMD RECEIPTS | 3,552 | 1,266 | 4,199 | 2,242 | 1,213 | 4,770 | 4,770 | 1,892 | 1,862 | 3,938 | 3,328 | 1,413 | 4,285 | 33,960 |
| GOV'T | | | | | | | | | | | | | | |
| TAXES | | | | | | | | | | | | | | |
| PROPERTY | 22,141 | 68,020 | 117,829 | 11,375 | 6,360 | 4,850 | 4,850 | 4,500 | 3,545 | 1,310 | 1,280 | 840 | 1,280 | 243,330 |
| SALES | 9,028 | 26,440 | 22,236 | 31,947 | 23,936 | 43,932 | 43,932 | 16,659 | 26,151 | 25,500 | 37,510 | 24,864 | 53,353 | 341,554 |
| SCHOOL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20,300 | 21,000 | 0 | 41,300 |
| OTHER | 775 | 0 | 1 | 987 | 0 | 0 | 0 | 1,074 | 0 | 0 | 812 | 0 | 0 | 3,649 |
| TOTAL TAXES | 31,942 | 94,460 | 140,066 | 44,309 | 30,296 | 48,782 | 48,782 | 22,233 | 29,696 | 26,810 | 59,902 | 46,704 | 54,633 | 629,833 |
| AID | 7,770 | 4,772 | 10,049 | 5,175 | 4,905 | 6,145 | 6,145 | 8,910 | 4,964 | 5,530 | 7,795 | 6,968 | 5,305 | 78,288 |
| FUNDS | 7,633 | 7,323 | 11,373 | 8,169 | 13,019 | 7,458 | 7,458 | 13,875 | 7,576 | 24,271 | 7,768 | 8,458 | 29,013 | 145,936 |
| DSS REVENUE | 13,590 | 19,486 | 6,969 | 7,250 | 6,990 | 15,792 | 15,792 | 10,619 | 9,536 | 25,693 | 11,225 | 12,031 | 27,098 | 166,279 |
| MISCELLANEOUS | | | | | | | | | | | | | | |
| INTEREST INCOME | 214 | 202 | 577 | 469 | 388 | 388 | 388 | 469 | 388 | 388 | 469 | 388 | 489 | 4,829 |
| OTHER INCOME | 4,286 | 4,160 | 3,029 | 4,008 | 3,868 | 3,855 | 3,855 | 4,633 | 3,908 | 5,808 | 4,283 | 3,458 | 3,965 | 49,271 |
| TOTAL MISC | 4,500 | 4,362 | 3,606 | 4,477 | 4,256 | 4,243 | 4,243 | 5,102 | 4,296 | 6,196 | 4,762 | 3,846 | 4,454 | 54,100 |
| TOTAL RECEIPTS | 68,987 | 131,669 | 176,262 | 71,622 | 60,679 | 87,190 | 87,190 | 62,631 | 57,930 | 92,438 | 94,780 | 79,420 | 124,788 | 1,108,396 |
| INVESTMENT TRANS | (5,982) | (120,313) | 53,667 | 93,367 | 24,000 | 5,000 | 5,000 | | | | 5,000 | | | 54,739 |
| TOTAL RECEIPTS+INVES | 63,005 | 11,356 | 229,929 | 164,989 | 84,679 | 92,190 | 92,190 | 62,631 | 57,930 | 92,438 | 99,780 | 79,420 | 124,788 | 1,163,135 |
| ESTIMD DISBURSEMENTS | | | | | | | | | | | | | | |
| PAYROLL | 16,188 | 17,165 | 20,988 | 17,481 | 17,481 | 17,811 | 17,811 | 22,830 | 20,263 | 17,773 | 17,481 | 17,481 | 25,993 | 228,945 |
| PUBLIC ASSISTANCE | 16,615 | 17,836 | 17,895 | 21,014 | 17,425 | 18,476 | 18,476 | 18,629 | 18,561 | 18,176 | 18,073 | 18,225 | 18,717 | 219,642 |
| DEBT | 393 | 6,554 | 14,758 | 2,581 | 10,327 | 19,610 | 19,610 | 1,714 | 3,823 | 3,825 | 1,559 | 2,616 | 3,994 | 71,754 |
| ACCTS PAYABLE | 52,391 | 31,092 | 62,597 | 78,822 | 22,940 | 44,441 | 44,441 | 39,838 | 28,194 | 45,178 | 117,159 | 20,876 | 53,895 | 597,423 |
| TOTAL DISBURSEMENTS | 85,587 | 72,647 | 116,248 | 119,898 | 68,173 | 100,338 | 100,338 | 83,011 | 70,841 | 84,952 | 154,272 | 59,198 | 102,599 | 1,117,764 |
| Ending Balance | (15,567) | (76,858) | 36,823 | 81,914 | 98,420 | 90,272 | 69,892 | 69,892 | 56,981 | 64,467 | 9,975 | 30,197 | 52,386 | |
| HIGH MONTHLY BALANCE | 7,015 | 14,302 | 37,865 | 129,122 | 111,297 | 92,737 | 99,053 | 79,984 | 79,984 | 73,903 | 84,116 | 40,903 | 52,386 | |
| LOW MONTHLY BALANCE | (15,567) | (119,387) | (105,136) | 45,674 | 76,591 | 68,751 | 63,595 | 63,595 | 54,403 | 38,681 | 9,975 | 1,276 | 6,341 | |
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FIGURE 24

<Municipality Name> Investment Policy and Procedures

Introduction

Pursuant to Section 39 of the General Municipal Law, the <Municipality Name> adopts the following policy as it pertains to investment of <Municipality Name> Funds.

Scope

This investment policy applies to all <Municipality Name> moneys and other financial resources available for investment on its own behalf or on behalf of any other entity when acting as agent for that other entity.

Objectives

The primary objectives of the <Municipality Name>'s investment activities are, in priority order:

- 1) To conform with all applicable federal , state and other legal requirements.
- 2) To adequately safeguard principal
- 3) To provide sufficient liquidity to meet all operating requirements.
- 4) To obtain a reasonable rate of return.

Authorization

The governing board's responsibility for administration of the investment program is delegated to the <Municipality Name> (Designated Officer), who shall establish written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a data base or records incorporating description and amounts of investments, transaction dates, and other relevant information and regulate the activities of subordinate employees.

Prudence

All participants in the investment process shall seek to act responsibly as custodian of the public trust and shall avoid any transaction that might impair public confidence in the <Municipality Name> to govern effectively.

Investments shall be made with judgement and care, under circumstances then prevailing, which person of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

FIGURE 24

Diversification

It is the policy of the <Municipality Name> to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

Designation of Depositories

The following banks and trust companies are authorized for the deposit of <Municipality Name> funds up to the following maximum amounts:

| | |
|----------------|-------------|
| Key Bank | \$1,500,000 |
| Chase Bank | \$1,500,000 |
| Fleet Bank | \$1,500,000 |
| Citibank | \$1,500,000 |
| First Federal | \$1,500,000 |
| M&T Bank | \$1,500,000 |
| Albion S&L | \$1,500,000 |
| First National | \$1,500,000 |

Collateralizing of Deposits

In accordance with the provisions of General Municipal Law, Section 10, all deposits of the <Municipality Name>, including certificates of deposits and special time deposits, in excess of the amount insured under the provision of the Federal Deposit Insurance Act shall be secured:

- 1) By a pledge of "eligible securities" with an aggregate "market value," or provided by General Municipal Law, section 10, equal to the aggregate amount of deposits from the categories designated in Appendix A to the policy
- 2) By an eligible "Irrevocable Letter of Credit" issued by a qualified bank other than the bank with the deposits in favor of the government for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any.
- 3) By an eligible surety bond payable to the government for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.

Safekeeping of Collateralization

Eligible Securities used for collateralizing deposits shall be held by the depository bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure local government deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the local government to exercise its rights against the pledged securities.

FIGURE 24

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities.

Permitted Investments

Moneys not required for immediate expenditures shall be invested for terms not to exceed its projected cash flow needs in the following types of investments:

- 1) Special Time Deposit Accounts
- 2) Certificates of Deposit
- 3) Obligations of the United States of America
- 4) Obligation guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America
- 5) Obligations of the State of New York
- 6) Obligations pursuant to Local Finance Law, section 24 and 25 (with approval of the State Comptroller) by any municipality, school district, or district corporation other than the <Municipality Name>.
- 7) Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investment
- 8) Certificates of Participation (COPs), issued pursuant to General Municipal Law, section 109-b

Authorized Financial Institutions and Dealers

The <Municipality Name> shall maintain a list of financial institutions and dealers for investment purposes. The <Municipality Name> (Designated Officer) is responsible for evaluating the financial position and maintaining a list of proposed depositories, trading partners and custodians.

Purchase of Investments

The <Municipality Name> (Designated Officer) is authorized to contract for the purchase of investments:

- 1) Directly, including through a repurchase agreement (Repo), from an authorized trading partner.
- 2) By participation in a cooperative investment program with another authorized governmental entity where such program meets all the requirements set forth by the office of the State Comptroller, and the specific program has been authorized by the <Municipality Name> governing board.
- 3) By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the governing board.

Repurchase Agreements

Repurchase agreements are authorized subject to the following restrictions:

FIGURE 24

- 1) All Repo agreements must be entered into subject to a Master Repurchase Agreement.
- 2) Trading Partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.
- 3) Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America.
- 4) No substitutions of securities will be allowed.
- 5) The custodian shall be a party other than the trading partner.